

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

**SECURITIES AND EXCHANGE
COMMISSION,
Plaintiff,**

V.

**BIOCHEMICS, INC., JOHN J. MASIZ,
CRAIG MEDOFF, AND GREGORY S.
KRONING,**

Defendants.

C.A. No. 12-12324-MLW

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS**

In re:

INPELLIS, INC.,

Debtor.

Chapter 7

Case No. 18-12844-CJP

CHAPTER 7 TRUSTEE'S AND RECEIVER'S JOINT STATUS REPORT

Mark G. DeGiacomo, the court-appointed receiver (the “Receiver”) of BioChemics, Inc. (“BioChemics”) and John Aquino, the chapter 7 trustee (the “Trustee”) of Inpellis, Inc. (“Inpellis”) hereby submit this joint status report as required by the Court Order dated October 2, 2020 and respectfully state as follows:

1. Following the hearing on October 2, 2020 the Receiver and Trustee conferred with counsel for the sole bidder at the Auction, Convergent Distributors of Texas, LLC (the “Buyer”) which has resulted in: (1) the Receiver and Trustee accepting a revised auction bid for -

purchase of the BioChemics and Inpellis intellectual property assets (the “Sale”); and (2) an agreement between the Buyer and the Trustee for the disposition of certain claims of the Inpellis estate (the “Settlement”).

2. In general, the bid provides that the Buyer will pay \$200,000 in cash (the “Cash Payment”) and assign the rights of Lattimore Properties, Inc. and John and Mark Family Limited Partnership to any distribution from the BioChemics receivership estate (estimated at \$190,000) (the “Lattimore Dividend”) in exchange for all of the assets subject to the Auction, a release of the Trustee’s claims against NEBO, the assignment of the Trustee’s claims against Alexander Capital (subject to retention by the Inpellis estate of one-third of the net economic recovery on account of such claims); and the exchange of mutual releases among the parties.

3. The Trustee and Receiver have agreed: (a) that \$150,000 of the Cash Payment will be distributed to the receivership estate and \$50,000 of the Cash Payment will be distributed to the bankruptcy estate, and (b) the SEC and the Receiver have agreed that the amount of the Lattimore Dividend shall be set at \$250,000 and the Receiver shall distribute that amount to the Inpellis bankruptcy estate simultaneously with the distributions to remaining Series E claimants.

4. The parties are in the process of documenting the Settlement, and preparing appropriate motions to approve the proposed claim dispositions to be filed within 7 days (the “Claim Disposition Motions”), at which time the Receiver and Trustee will also file a report of the Sale.

5. Due to an impending November 1, 2020 limitations deadline in the Inpellis case, the Trustee intends to seek expedited determination of the Claim Disposition Motions, and the Receiver and Trustee respectfully request that the Court schedule a hearing to consider

confirmation of the Sale and approval of the Claim Disposition Motions the week of October 19th or 26th as the Courts' calendars permit.

WHEREFORE, the Receiver and Trustee respectfully request that the Court schedule a hearing to consider confirmation of the Sale and approval of the Claim Disposition Motions, and grant the Receiver and Trustee such further relief the Court deems proper and just.

Respectfully submitted,

MARK G. DEGIACOMO, RECEIVER
OF BIOCHEMICS, INC.,

JOHN J. AQUINO, CHAPTER 7 TRUSTEE
OF INPELLIS, INC.,

By his attorneys,

By his counsel,

/s/ Jonathan M. Horne
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Dated: October 9, 2020

CERTIFICATE OF SERVICE

I, Jonathan Horne, hereby certify that on the 9th day of October, 2020, I caused to be served a copy of the forgoing document to the parties receiving notice through the Court's ECF system.

/s/ Jonathan M. Horne

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